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**CUNA**

Credit Union National Association

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December 27, 2010

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314-3428

Re: Interim Final Rule, Technical Corrections, Part 704, Corporate Credit Unions

Dear Ms. Rupp:

The Credit Union National Association (CUNA) appreciates the opportunity to comment on the National Credit Union Administration Board's request for comment regarding its interim final rule to Part 704, Corporate Credit Unions, to make three technical corrections to the final amendments adopted September 24, 2010. By way of background, CUNA is the largest credit union trade organization in the country, representing approximately 90 percent of our nation's nearly 7,700 state and federal credit unions, which serve approximately 93 million members.

CUNA supports the amendments, which are:

1. A correction to the definition of "collateralized debt obligation" (CDO) in Section 704.2 of NCUA's rules on corporate credit unions to clarify that any security that is fully guaranteed as to principal and interest by the U.S. Government, its agencies or government sponsored enterprises or any security collateralized by other securities where all the underlying securities are fully guaranteed as to principle and interest by the U.S. Government, its agencies or sponsored enterprises are not included in the term, "collateralized debt obligation." This amendment clarifies that NCUA Guaranteed Notes are not prohibited under Part 704.
2. A correction to Section 704.6, Credit Risk Management. This change clarifies that agency mortgage backed securities are subject to the sector concentration limits but not to other limitations of this section, such as single obligor and credit rating requirements.
3. A correction in the date in the language in Model Form H, which should be used "on or after" and not "before" October 20, 2011. This correction is necessary because the Model Form H concerns perpetual contributed



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capital and circumstances where newly issued capital will be given priority over older capital.

Thank you for the opportunity to comment on the interim final rule.

Sincerely,

A handwritten signature in cursive script that reads "Mary Mitchell Dunn".

Mary Mitchell Dunn  
CUNA Senior Vice President and Deputy General Counsel